1	2	3	4	5
15.	Meghalaya	15.48	18.66	-6.93
16.	Mizoram	4.22	8.15	5.38
17.	Nagaland	1.21	3.16	2.51
18.	Orissa	164.49	335.35	276.98
19.	Punjab	431.18	671.70	605.89
20.	Rajasthan	437.29	680.41	543.01
21.	Sikkim	0.94	5.72	6.02
22.	Tamil Nadu	535.42	724.46	400.12
23.	Tripura	19.84	28.96	33.18
24.	Uttar Pradesh	1186.02	2254.89	2021.50
25.	West Bengal	1259.44	1994.04	1959.43
	Total	7096.13	13995.95	8629.08

Ineffectiveness of RBI

2160. SHRI I.D. SWAMI : Will the Minister of FINANCE be pleased to state :

(a) whether the attention of the Government has been drawn to the newsitem captioned "Indian Bank exposes RBI's ineffectiveness" appearing in the 'Times of India' dated 19 August, 1996;

(b) if so, the facts of the matter reported therein;

(c) whether the losses in the Indian Bank and frauds in other private and public sector banks have taken place due to ineffective monitoring and supervision of the Reserve Bank of India;

(d) if not, the other facts responsible for the said losses and frauds; and

(e) the steps contemplated to strengthen the RBI to provide an effective and meaningful supervision and control over the commercial banks in the country?

THE FINANCE MINISTER (SHRI P. CHIDAMBARAM) : (a) and (b). The news item under reference alleges that the RBI has not been effective in detecting the irregularities in some of the Public Sector Banks.

(c) No, Sir.

(d) The losses reflected by the Banking Industry during 1995-96 are on account of under provisioning in previous years leading to the necessity for additional provisioning in 1995-96, wage revision in the Banking Industry, additional provision on account of marking to market securities held by Banks etc. Fraud in the Banking Industry have taken place largely on account of non-observance of laid down procedures.

(e) In order to further strengthen the RBI in the discharge of its supervisory functions a number of steps have been taken, the chief among being the setting up of the Board for Financial Supervision. In addition internal control systems of banks have been strengthened and off-site inspection has been taken up by the RBI.

[Translation]

Double Taxation between India and Cyprus

2161. SHRI RAJENDRA AGNIHOTRI : Will the Minister of FINANCE be pleased to state :

(a) whether the Government propose to abolish double taxation between Cyprus and India;

(b) whether any agreement has since been signed in this regard; and

(c) if so, the terms and details of the agreements?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c). A Double Taxation Avoidance Agreement has been signed with the Republic of Cyprus on 13.6.1994 and is applicable from the financial year 1993-94, relevant to the assessment year 1994-95.

The Agreement provides for lower rates of taxation in respect of dividents, interest, royalties and fees for technical services when compared to domestic rates. It also provides that the nationals of a Contracting State shall not be subjected to in the other State to any taxation or requirement connected therewith which is more burdensome than the taxation and connected requirements of that other State. The Agreement further provides for elimination of double taxation and also exchange of information in preventing tax evasion or fraud.

Economic Ministers Meeting

2162. SHRI PINAKI MISRA : Will the Minister of FINANCE be pleased to state :

(a) whether a session of prominent economists, economic ministers and officials was held in New Delhi in September 1996 to chalk out an action plan to achieve the annual target of 10 billion foreign direct investment;

(b) if so, whether foreign delegates were also invited to attend the conference;

(c) if so, the details thereof; and

(d) the details of action plan suggested and observations made in the session?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (d). An international conference titled 'Destination India-Global Summit on Investment Opportunities' was organised jointly by the Ministry of Industry, Government of India and the Federation of Indian Chambers of Commerce and Industry (FICCI) during 10th-11th September, 1996. The conference was the first promotional initiative by the reconstituted FIPB.

The conference was inaugurated by the Prime Minister and was attended by the Ministers of Finance,